

SENATE BILL 446

Q4

2lr2319
CF HB 434

By: **Senator Colburn**

Introduced and read first time: February 2, 2012

Assigned to: Budget and Taxation

Committee Report: Favorable

Senate action: Adopted

Read second time: March 17, 2012

CHAPTER _____

1 AN ACT concerning

2 **Sales and Use Tax – Sales of Dyed Diesel Fuel**

3 FOR the purpose of providing that for the sale of certain diesel fuel the sales and use
4 tax is to be applied to a certain percentage of the gross receipts; defining certain
5 terms; creating a collection exception for certain diesel fuel sales by certain
6 marinas; requiring certain marinas to assume or absorb the sales and use tax
7 imposed on a retail sale or use and to pay the sales and use tax on behalf of the
8 buyer; and generally relating to the sales and use tax on certain sales of certain
9 diesel fuel by certain marinas.

10 BY adding to

11 Article – Tax – General
12 Section 11–104(h) and 11–410
13 Annotated Code of Maryland
14 (2010 Replacement Volume and 2011 Supplement)

15 BY repealing and reenacting, with amendments,

16 Article – Tax – General
17 Section 11–302
18 Annotated Code of Maryland
19 (2010 Replacement Volume and 2011 Supplement)

20 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
21 MARYLAND, That the Laws of Maryland read as follows:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1

Article – Tax – General

2 11–104.

3 **(H) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE**
4 **THE MEANINGS INDICATED.**

5 **(II) “DYED DIESEL FUEL” MEANS DIESEL FUEL THAT IS**
6 **DYED UNDER U.S. ENVIRONMENTAL PROTECTION AGENCY RULES FOR HIGH**
7 **SULFUR DIESEL FUEL OR IS DYED UNDER INTERNAL REVENUE SERVICE RULES**
8 **FOR NONTAXABLE USE.**

9 **(III) “MARINA” MEANS A PERSON WHO MAINTAINS A PLACE**
10 **OF BUSINESS WHERE MOTOR FUEL IS SOLD PRIMARILY TO VESSELS.**

11 **(2) IF A RETAIL SALE OF DYED DIESEL FUEL IS MADE BY A**
12 **MARINA, THE SALES AND USE TAX RATE IS 6%, APPLIED TO 94.5% OF THE GROSS**
13 **RECEIPTS FROM THE DYED DIESEL FUEL SALES.**

14 11–302.

15 For each retail sale or sale for use other than a sale under § 11–405 [or], §
16 11–406, **OR § 11–410** of this title, the sales and use tax shall be:

17 (1) stated separately from the sale price; and

18 (2) shown separately from the sale price on any record of a sale:

19 (i) at the time of the sale;

20 (ii) when the vendor issues evidence of the sale; or

21 (iii) when the vendor uses evidence of the sale.

22 **11–410.**

23 **A MARINA THAT SELLS DYED DIESEL FUEL, AS DEFINED IN § 11–104(H) OF**
24 **THIS TITLE:**

25 **(1) SHALL PAY THE SALES AND USE TAX TO THE COMPTROLLER;**
26 **AND**

27 **(2) MAY NOT COLLECT THE SALES AND USE TAX FROM THE BUYER**
28 **AS A SEPARATELY STATED ITEM.**

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 July 1, 2012.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.